



D. KENT MICHIE
Insurance Commissioner
Utah Insurance Department

JON M. HUNTSMAN, JR.
Governor

JOHN 'MICKEY' BRAUN, JR., CIE
Assistant Commissioner
Office of the Commissioner

Bail Bond Oversight Board Meeting

Meeting Information

Date: May 16, 2007

Time: Noon

Place: Heber Wells Bldg, 5th Flr
160 E. 300 S.

Board Members

(Attendees = x)

xDominic Sanone, Chairman

xWayne Carlos, Vice-Chairman

xRick T. Westmoreland,

xRalph Cragun

xMichael Weddington

Bert Christenson

xMickey Braun

Insurance Department Staff

xPerri Babalis

Darrel Powell

xTara Lundgren

Tracy Klausmeier

xJilene Whitby

Public

Thomas Pappas

MINUTES

Welcome 12:03

General Session (*Open to the Public*)

- **Adoption of Minutes of Previous Meeting**

Rick noted that "ballot" had been misspelled in the "New Applications" section. Rick made the **motion** to accept the minutes with this correction. Wayne seconded it and the vote was unanimous.

- **Complaints/Investigations/Unpaid Forfeitures Report** / Tara Lundgren

Dominic noted that there was nothing to approve from the investigations and complaints of the department.

- **New Application** / Mickey Braun

- **5% Bail Bonds**

Application remained tabled pending the decision of the Bail Bond Association and Bail Bond Oversight Board regarding a minimum bail bond premium.

- **A-Acme Bail Bonds**

Rick made a **motion** to approve the name change from Acme Bail Bonds to A-Acme Bail Bonds. Wayne seconded it and the vote was unanimous.

- **AA LA Guadalupana Bail Bonds**

Rick made a **motion** to accept AA LA Guadalupana's application. It was noted that they cannot do business until their forms are filed.

- **Old Business**

- **Setting a Minimum Bail Bond Premium**

- Tom Pappas provided a copy of the ballot sent to Association members and the ballot results as of May 15, 2007. The majority wanted the 10% minimum bail bond premium and they wanted violations handled as a serious infraction.
 - Dominic noted that the wording of a rule could be changed to conform to the opinion of the majority. Violations would be handled like any other violation, with an investigation after a complaint is filed.

- Rick asked, of the 28 who want the 10% minimum premium, how many are actually charging less now? "None" was the answer. Dominic said the concern was regarding the company that would come in and write bail for nothing. This has happened in other states.
- Wayne thought that 88% of the states had a minimum premium. Four states don't have bail bonds. Rick asked why they wanted to handcuff themselves? Mike said that such a law would make it hard to give reduced rates when they are warranted. Wayne felt 10% was a reasonable limit that we can all live with.
- Rick suggested looking at the laws of 4-5 other states to see how they are enforced and if there are any issues they are having with it. This needs to be an enforceable rule.
- Rick suggested disallowing by rule the use of the percentage amounts in advertising. The problem is that those using percentages in their advertising prior to the rule being put into effect would be grandfathered in.
- Tara suggested using 7% for the minimum premium, or some other number, to give more wiggle room.
- Perri asked who would complain if the minimum premium rule was violated? It will be another agent or agency. How then would we get documentation of a violation?
- Rick asked if a new business could start up with the 10% minimum premium in place? The response was that it would be difficult. He said that the best way to enforce the minimum premium would be by mandating that agencies send the department a monthly report on their income.
- Dominic will get a copy of Nevada's minimum premium statute. Wayne will check Indiana's and Mike will get Idaho's.
- **Applications Replacing Ralph, Rick and Andrew**
Jilene noted that Mickey has received an application for the attorney position and Rick said he has sent an application in for the attorney position as well. It was suggested that one be used for the public position and the other for the attorney position.
- **New Business**
 - **Agency Audits**
Tara – will be conducting audits on all bail bond agencies. Wayne will be the first one. They are routine. She will be making sure correct forms are being used, and they are complying with the law. She will be looking at information for the past year. Those out of compliance will be given a chance to get into compliance. Most audits will take a day. It will depend on the size of the agency. Currently there are 45 agencies in Utah.
- **Adjourn**
Rick made a **motion** to adjourn at 1:30p.m. and Wayne seconded it.

Next Meeting

June 20, 2007

2007 Meetings

~~Jan. 17, Rm 3112~~
~~Feb. 21, Rm 3112~~
~~Mar. 21, Rm 4112~~
~~Apr. 18, Rm 4112~~

~~May 16, Rm 4112~~
 Jun. 20, Rm 4112
 Jul. 18, Rm 4112
 Aug. 15, Rm 4112

Sep. 19, Rm 4112
 Oct. 17, Rm 4112
 Nov. 21, Rm 4112
 Dec. 19, Rm 4112